

September 15, 2014

Dear Members of the Committee on Commerce, Science and Transportation:

We are writing to you on behalf of a broad range of manufacturing, agricultural, and energy industries, urging you to support S. 2777 “The Surface Transportation Board Reauthorization Act of 2014” which would improve how the Board operates. The reforms in this bill would help make the STB a more timely, efficient and equitable regulatory agency and we strongly support this bill’s passage.

Congress created the STB to evaluate the reasonableness of rates when a railroad has market dominance over a customer. Unfortunately, STB policies make the agency virtually inaccessible for many rail customers. The Board estimates that their main remedy, a stand-alone cost challenge, takes 3.5 years and \$5 million to litigate, and requires the plaintiff shipper to create from scratch an entire fictional railroad to prove the rates are excessive.

The bill introduced by Chairman Rockefeller and Ranking Member Thune would reauthorize the STB for the first time since it was created, and would make the Board a more viable forum for handling freight rail issues. The legislation would streamline rate case procedures, create a meaningful alternative dispute resolution process, and require an analysis of the rules under which the agency operates. Other commonsense improvements include allowing the Board members to discuss agency matters with each other, launch their own investigations, and create timelines for cases.

The Staggers Rail Act of 1980 envisioned an STB that would “allow, to the maximum extent possible, competition and demand to establish reasonable rates... and to provide expeditious handling and resolution on all proceedings.” We agree with this vision. However, the current policies fall far short of this shared goal. Even the Chairman of the STB recently said in a published opinion that “we should never be satisfied with a process that is so expensive and time consuming.”

Please support the Surface Transportation Board Reauthorization Act of 2014. The vitality and success of the U.S. railroad industry is in no way inconsistent with having, and in fact will support a well-functioning STB. The reforms proposed by the Chairman and Ranking Member will make important and necessary improvements that are consistent with the direction Congress set under the Staggers Rail Act.

Sincerely,

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Agricultural Retailers Association

Alliance of Automobile Manufacturers

Alliance for Rail Competition

American Architectural Manufacturers Association

American Bakers Association

American Chemistry Council

American Forest & Paper Association

American Public Power Association

American Soybean Association

The Chlorine Institute

Connecticut Business and Industry Association

Consumers United for Rail Equity

Edison Electric Institute

The Fertilizer Institute

Glass Packaging Institute

Growth Energy

Institute of Scrap Recycling Industries, Inc.

Louisiana Chemical Association

Manufacture Alabama

National Association of Chemical Distributors

National Barley Growers Association

National Corn Growers Association

National Farmers Union

National Industrial Transportation League

National Rural Electric Cooperative Association

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National Sunflower Association

Plastic Pipe and Fittings Association

Portland Cement Association

PVC Pipe Association

Renewable Fuels Association

Resilient Floor Covering Institute

SPI: The Plastics Industry Trade Association

Steel Manufacturers Association

U.S. Canola Association

United States Dry Bean Council

USA Dry Pea & Lentil Council

The Vinyl Institute

Wallcoverings Association